

Introduced by Senator Pavley

February 19, 2016

An act to amend Section 39712 of the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 1402, as introduced, Pavley. Low-carbon fuels.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund. Existing law authorizes moneys from the fund to be allocated for the purpose of reducing greenhouse gas emissions in this state through specified investments if the investment furthers the regulatory purposes of the act and is consistent with law.

This bill would additionally authorize moneys in the fund to be used to promote and further California climate goals to encourage the in-state production of alternative fuels with low-carbon intensity from new and existing facilities, using sustainable feedstock, with preference to be given to disadvantaged communities.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature funds and declares all of the
2 following:

3 (a) Petroleum fuels are a leading cause of in-state greenhouse
4 gas emissions.

5 (b) California is vulnerable to oil market shocks given the small
6 number of in-state oil refineries.

7 (c) It is the policy of the state to address climate goals and the
8 economic security of California drivers through support of
9 low-carbon fuel production in a manner that boosts fuel supply
10 and diversity and provides energy security.

11 SEC. 2. Section 39712 of the Health and Safety Code is
12 amended to read:

13 39712. (a) (1) It is the intent of the Legislature that moneys
14 shall be appropriated from the fund only in a manner consistent
15 with the requirements of this chapter and Article 9.7 (commencing
16 with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title
17 2 of the Government Code.

18 (2) The state shall not approve allocations for a measure or
19 program using moneys appropriated from the fund except after
20 determining, based on the available evidence, that the use of those
21 moneys furthers the regulatory purposes of Division 25.5
22 (commencing with Section 38500) and is consistent with law. If
23 any expenditure of moneys from the fund for any measure or
24 project is determined by a court to be inconsistent with law, the
25 allocations for the remaining measures or projects shall be
26 severable and shall not be affected.

27 (b) Moneys shall be used to facilitate the achievement of
28 reductions of greenhouse gas emissions in this state consistent
29 with Division 25.5 (commencing with Section 38500) and, where
30 applicable and to the extent feasible:

31 (1) Maximize economic, environmental, and public health
32 benefits to the state.

33 (2) Foster job creation by promoting in-state greenhouse gas
34 emissions reduction projects carried out by California workers and
35 businesses.

36 (3) Complement efforts to improve air quality.

37 (4) Direct investment toward the most disadvantaged
38 communities and households in the state.

1 (5) Provide opportunities for businesses, public agencies,
2 nonprofits, and other community institutions to participate in and
3 benefit from statewide efforts to reduce greenhouse gas emissions.

4 (6) Lessen the impacts and effects of climate change on the
5 state's communities, economy, and environment.

6 (c) Moneys appropriated from the fund may be allocated,
7 consistent with subdivision (a), for the purpose of reducing
8 greenhouse gas emissions in this state through investments that
9 may include, but are not limited to, any of the following:

10 (1) Funding to reduce greenhouse gas emissions through energy
11 efficiency, clean and renewable energy generation, distributed
12 renewable energy generation, transmission and storage, and other
13 related actions, including, but not limited to, at public universities,
14 state and local public buildings, and industrial and manufacturing
15 facilities.

16 (2) (A) Funding to reduce greenhouse gas emissions through
17 the development of state-of-the-art systems to move goods and
18 freight, advanced technology vehicles and vehicle infrastructure,
19 advanced biofuels, and low-carbon and efficient public
20 transportation.

21 (B) *Funding, with preference to disadvantaged communities,*
22 *to promote and further California climate goals to encourage the*
23 *in-state production of alternative fuels with low-carbon intensity*
24 *from new and existing facilities, using sustainable feedstock.*

25 (3) Funding to reduce greenhouse gas emissions associated with
26 water use and supply, land and natural resource conservation and
27 management, forestry, and sustainable agriculture.

28 (4) Funding to reduce greenhouse gas emissions through
29 strategic planning and development of sustainable infrastructure
30 projects, including, but not limited to, transportation and housing.

31 (5) Funding to reduce greenhouse gas emissions through
32 increased in-state diversion of municipal solid waste from disposal
33 through waste reduction, diversion, and reuse.

34 (6) Funding to reduce greenhouse gas emissions through
35 investments in programs implemented by local and regional
36 agencies, local and regional collaboratives, and nonprofit
37 organizations coordinating with local governments.

- 1 (7) Funding research, development, and deployment of
- 2 innovative technologies, measures, and practices related to
- 3 programs and projects funded pursuant to this chapter.

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